



Testimony of John M. Murphy, MD, President and CEO

Of the Western CT Health Network – Danbury Hospital, New Milford Hospital, Norwalk Hospital

To the Public Health Committee

On March 19, 2014

SB 460, AN ACT CONCERNING HOSPITAL CONVERSIONS AND OTHER MATTERS AFFECTING HOSPITALS

I am writing to oppose SB 460, AN ACT CONCERNING HOSPITAL CONVERSIONS AND OTHER MATTERS AFFECTING HOSPITALS. SB 460 significantly increases the regulatory requirements, both with the Department of Public Health and the Attorney General's office, necessary for the conversion of not-for-profit hospitals. The legislation is inconsistent with the very nature of health care reform.

The state of Connecticut already has hospital conversion laws and a strong Certificate of Need process to which hospitals have been subject for years. The *current* regulatory environment preserves patient access, safety, and quality of care while allowing hospitals the flexibility to meet their changing needs. As currently drafted, SB 460 requires excessive, costly and labor-intensive due diligence conducted on a timeline that will impair our ability to operate with the agility required in today's highly dynamic healthcare environment. The bill imposes operational sanctions far-exceeding those present in other states and it also includes definitions that are overly broad and thus, easily open to misinterpretation. The benefits that are associated with economies of scale, a necessary strategy to reduce operating expenses while preserving jobs, are jeopardized with this legislation.

As drafted, SB 460 creates an overly burdensome regulatory environment that will prevent hospitals and healthcare systems from creating strategic partnerships that allow them to adapt and grow in this new and rapidly changing healthcare environment.

I implore you to vote in opposition to this bill which will seriously inhibit our ability to implement meaningful health care reform. We are fully committed to reforming the nature of our business model so that we can improve the care we provide our communities- care that is accessible and affordable. This bill undermines our ability to deliver that commitment.

Thank you for your consideration.

John M. Murphy, MD

President and CEO